

Message Text

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ACTION EB-08

INFO OCT-01 ARA-06 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 FPC-01 H-01 INR-07 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 OES-06 SP-02
SS-15 STR-04 TRSE-00 ACDA-07 FEA-01 /094 W
-----052121 042685 /61
R 042114Z MAR 77
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 272

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E.O. 11652: N/A
TAGS: ENRG, BTIO, BEXP, CO
SUBJECT: MAJOR PROJECTS, GUAJIRA GAS LNG

1. THE GOVERNMENT OF COLOMBIA HAS ESTABLISHED GUIDELINES FOR THE PROMOTION OF AN INVESTMENT IN LNG UTILIZING GUAJIRA GAS. AT PRESENT, RESERVES ARE ESTIMATED AT 450 MILLION CUBIC FEET A DAY FOR TWENTY YEARS, ALTHOUGH FOUR GAS EXPLORATION WELLS WILL BE DRILLED IN 1977 WHICH MAY INCREASE THE RESERVE ESTIMATE. THE PLANS ARE TO USE THE GAS AS FOLLOWS:

200 MCFD TRANSPORTED BY PIPELINE TO BARRANQUILLA AND CARTAGENA FOR INDUSTRIAL USE AND TO SUBSTITUTE FOR FUEL OIL UNTIL COAL OR HYDRO-ELECTRICAL INTERCONNECTIONS SUBSTITUTE FOR THE GAS.

60 MCFD TO BE USED IN THE GUAJIRA AMMONIA UREA PLANT. NO PROGRESS HAS BEEN MADE PROMOTING THIS PROJECT.

12 MCFD GAS TURBINE GENERATING PLANT FOR GUAJIRA.

178 MCFD FOR A 150 MCFD LNG PLANT. THE 28 EXTRA WILL BE USED TO OPERATE THE PLANT.

2. ECOPETROL HAS CALLED FOR PROPOSALS TO BE RECEIVED BY MID-YEAR FROM THE COMPANIES THAT HAVE EXPRESSED INTEREST IN THIS PROJECT.

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A DECISION CAN BE EXPECTED 90 DAYS AFTER RECEIPT OF THE PROPOSALS. THE PROPOSALS MUST MEET THE FOLLOWING MINIMUM CRITERIA.

A. THE MAXIMUM VOLUME OF PRODUCTION OF LNG WILL BE 150 MCFD.

B. THE MINIMUM PRICE FOR GAS WILL BE \$.80 PER THOUSAND CUBIC FEET AT WELL HEAD WITH THE PRICE ADJUSTMENTS TIED TO THE HIGHER VALUE OF THE ANNUAL INDICES OF VARIATION FOR ARABIAN LIGHT FUEL OIL OR NATURAL GAS.

C. THE TOTAL INVESTMENT WILL BE FOREIGN ALTHOUGH ECOPETROL
MAY CONSIDER UP TO A 10 PCT SHARE PAID FOR IN NATURAL GAS.

3. OF THE 14 COMPANIES THAT HAVE EXPRESSED INTEREST IN
COLOMBIAN LNG AT LEAST TWO HAVE DISCUSSED PROJECTS THAT
WOULD FALL WITHIN THE RECOMMENDED MINIMUM GUIDE LINES.
THESE ARE COLOMBIA GAS SYSTEMS AND GAZCOL. J. MAKOWSKI
CONSULTANTS OF BOSTON.

4. THE ABOVE INFORMATION IS FOR USG USE ONLY ALTHOUGH IT MAY
BE COMMUNICATED VERBALLY WHERE DEEMED USEFUL FOR U.S.
BUSINESSMEN.
SANCHEZ

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTION, LPG
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BOGOTA02103
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770077-0031
Format: TEL
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770394/aaaadeuo.tel
Line Count: 75
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 6df037be-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 11-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3212325
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECTS, GUAJIRA GAS LNG
TAGS: ENRG, BTIO, BEXP, CO
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/6df037be-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009